

VOTE NO on Senate Bill 330

SB 330 would undermine Montana's Renewable Energy Standard with unnecessary cost cap language that creates a regulatory maze.

When the 2005 legislature passed SB 415, the *Montana Renewable Power Production and Rural Economic Development Act*, it included a cost cap provision. The cost cap in SB 330 would create a conflict in the law.

- Northwestern Energy is NOT obligated to comply with Renewable Energy Standard (RES) unless the cost of the renewable resource is less than or equal to the cost of other sources of a similar quantity and term.

MCA 69-3-2007. Cost caps. (1) *A public utility that has restructured pursuant to Title 69, chapter 8, is not obligated to take electricity from an eligible renewable resource unless the eligible renewable resource has demonstrated through a competitive bidding process that the total cost of electricity from that eligible resource, including the associated cost of ancillary services necessary to manage the transmission grid and firm the resource, is less than or equal to bids for the equivalent quantity of power over the equivalent contract term from other electricity suppliers.*

- Montana-Dakota Utilities (MDU) is NOT obligated to comply with Renewable Energy Standard unless the cost of the renewable resource does not exceed other sources by 15%.

MCA 69-3-2007 (continued) (2) *A public utility that has not restructured pursuant to Title 69, chapter 8, is not obligated to take electricity from an eligible renewable resource unless the cost per kilowatt hour of the generation from the renewable resource does not exceed by more than 15% the cost of power from any other alternate generating resource available to the public utility.*

Existing law contains another de facto cost cap within the penalty provision.

Because the penalty for noncompliance is set at \$10/ MWh, utility can decide to not comply and pay the penalty if the cost of the renewable resource exceeded the cost of an alternative by more than \$10/MWh.

It is unclear how SB 330 would work. SB 330 creates confusion because it adds an additional cost cap and fails to reconcile the new cost cap with existing code.

What is clear is that SB 330 aims to gut the Renewable Energy Standard (RES)

- Montana's RES has been successful in spurring investment in our local communities, making us more energy independent and creating good jobs.
- SB would undermine the RES because it creates an out for utilities by procuring a waiver.
- Since the waiver "must be granted for a period of not less than 3 compliance years," it leaves open the possibility for absurdly long term waivers. There is nothing in SB 330 to prevent a waiver of 10 years, 20 years or even 100 years.

Oppose this Attack on Energy Independence and Homegrown Renewable Energy

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